United Nations A/71/836/Add.6

General Assembly

Distr.: General
27 April 2017

Original: English

Seventy-first session
Agenda item 164
Financing of the activities arising from Security Council resolution 1863 (2009)

Budget performance for the period from 1 July 2015 to 30 June 2016 for the United Nations Support Office for the African Union Mission in Somalia and proposed budget for the period from 1 July 2017 to 30 June 2018 for the United Nations Support Office in Somalia

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2015/16	$513,428,300
Expenditure 2015/16	$512,341,400
Unencumbered balance for 2015/16	$1,086,900
Appropriation for 2016/17	$574,304,900
Projected expenditure 2016/17[a]	$573,821,000
Projected underexpenditure for 2016/17[a]	$484,000
Proposal submitted by the Secretary-General for 2017/18	$619,312,100
Recommendation of the Advisory Committee for 2017/18	$578,913,400

[a] Estimates as at 31 January 2017.

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I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraphs 24, 30, 35, 43, 46, 49, 57, 58, 65 and 66 below would entail a reduction of $40,398,700 in the proposed budget for the United Nations Support Office in Somalia (UNSOS) for the period from 1 July 2017 to 30 June 2018 (A/71/788).** The Committee has made recommendations and observations on specific issues, where appropriate, in the paragraphs below.

2. During its consideration of the financing of UNSOS, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 20 April 2017. The documents reviewed and those used for background by the Committee are listed at the end of the present report. The Committee's detailed comments and recommendations on the findings of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016, and on cross-cutting issues related to United Nations peacekeeping operations, can be found in its related reports (A/71/845 and A/71/836, respectively). The main observations and recommendations of the Board pertaining specifically to UNSOS (formerly the United Nations Support Office for the African Union Mission in Somalia (UNSOA)) are discussed in paragraph 8 below.

Background

3. The Advisory Committee recalls that the Security Council, in a number of its resolutions, has made decisions related to the establishment and mandated activities of UNSOS, inter alia, as follows:

(a) Establishment of UNSOA to provide a logistical support package to the African Union Mission in Somalia (AMISOM) (resolution 1863 (2009));

(b) Establishment of the United Nations Assistance Mission in Somalia (UNSOM), as a structurally integrated United Nations mission based in Mogadishu (resolution 2102 (2013)), and decision that UNSOA should be integrated within the framework of the new mission (resolution 2093 (2013));

(c) Decision that UNSOA should support front-line units of the Somali National Army through the provision of food, water, fuel, transportation, tents and in-theatre medical evacuation on an exceptional basis for joint operations of the Somali National Army with AMISOM, with funding for the support provided through an appropriate United Nations trust fund (resolution 2124 (2013));

(d) Decision that UNSOA should bear the name of United Nations Support Office in Somalia (UNSOS) and that it would be responsible for support to AMISOM, UNSOM and the Somali National Army on joint operations with AMISOM, in view of the expansion of the mission of UNSOA since its establishment in 2009 (resolution 2245 (2015)).

II. Budget performance report for the period from 1 July 2015 to 30 June 2016

4. The General Assembly, in its resolution 69/306, appropriated an amount of $513,428,300 gross ($508,725,400 net) for the maintenance of the Support Office for the period from 1 July 2015 to 30 June 2016. The total amount has been assessed on Member States. Expenditures totalled $512,341,400 gross for the reporting

period, representing an implementation rate of 99.8 per cent, with an unencumbered balance of $1,086,900 gross, or 0.2 per cent.

5. An analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of the Support Office for the period from 1 July 2015 to 30 June 2016 (A/71/630). The Advisory Committee notes the considerable overexpenditures due to the increased requirements for, inter alia:

(a) Military contingents ($24.5 million, or 21.5 per cent), mainly under rations ($27.2 million), attributable to the amendment of the rations contract, offset in part by travel on emplacement, rotation and repatriation ($4.5 million);

(b) Consultants ($4.9 million, or 247.4 per cent), attributable mainly to a contract to hire 55 consultants ($5.4 million) to work in areas that were not compliant with minimum operating security standards in lieu of staff, offset in part by the lower-than-budgeted actual cost per consultant;

(c) Official travel ($1.25 million, or 51.7 per cent), attributable mainly to longer periods on travel status during trips to the field;

(d) Air transportation ($11.3 million, or 18.2 per cent), related to the rental and operation of helicopters ($9.9 million), attributable mainly to the replacement of two helicopters with those equipped with night-vision capability; (b) petrol, oil and lubricants ($2.9 million), attributable mainly to the change in the location of the main refilling hubs for two helicopters and one fixed-wing aircraft from Kenya to Somalia, where the fuel price was higher; and (c) the rental and operation of fixed-wing aircraft ($1.6 million), attributable primarily to the higher prices of the new contracts for two aircraft. The increased requirements were offset in part by the reduced requirements for services ($3.9 million), attributable primarily to the reduced need for ad hoc air charter special flights;

(e) Information technology ($3.8 million, or 27.8 per cent), related to the acquisition of software packages, and licences, fees and rental costs for software ($4.5 million), attributable mainly to the higher-than-budgeted costs for the acquisition of licences and software.

6. The higher expenditures were offset in part by underexpenditures under: (a) facilities and infrastructure ($4,223,700, or 4.6 per cent); (b) ground transportation ($8,017,000, or 17.6 per cent); (c) communications ($12,069,500, or 41.2 per cent); (d) medical ($8,513,000, or 43.7 per cent); and (e) other supplies, services and equipment ($16.8 million, or 22.8 per cent).

7. The comments of the Advisory Committee on the information presented in the budget performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2017 to 30 June 2018 (A/71/788) in section IV below.

Matters pertaining to the report of the Board of Auditors

8. In considering the reports of the Secretary-General on the financing of UNSOA and UNSOS, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2016 (A/71/5 (Vol. II), chap. II). In its report, the Board had made observations and recommendations pertaining to UNSOA, including with regard to: (a) routine redeployments of funds (the mission was one of the three missions with both the highest total redeployments and the highest redeployments between the groups of expenditure) (see paras. 39 and 44 below on consultants and official travel); (b) long-outstanding accounts receivable; (c) underperformance relating to the stewardship sub-index under the property

management performance index; (d) lack of environmental focal points and environmental briefings of troops; and (e) instances of fully depreciated assets still in use (see the report of the Advisory Committee on cross-cutting issues related to United Nations peacekeeping operations (A/71/836)). **The Advisory Committee trusts that the recommendations of the Board of Auditors will be implemented expeditiously.**

III. Information on performance for the current period

9. The Advisory Committee was informed that, as at 31 January 2017, a total of $3,209,989,000 had been assessed on Member States in respect of the Support Office since its inception. Payments received as at the same date amounted to $3,167,208,000, leaving an outstanding balance of $42,781,000. As at 27 February 2017, the cash position of UNSOS was $235,444,000, which covered the three-month operating cash reserve of $192,439,000, leaving $43,005,000 in remaining cash. Upon enquiry, the Committee was informed that the payments to troop-contributing countries had been processed in March 2017 and that, as at 17 April 2017, the cash position of UNSOS was $170,282,000, which covered the three-month operating cash reserve of $156,193,000.

10. The Advisory Committee was also informed that, as at 31 January 2017, the incumbency for UNSOS was as follows:

	Authorized/approved[a]	*Encumbered*	*Vacancy rate (percentage)*
United Nations military contingent personnel	70	41	41.4
AMISOM military contingent personnel	21 586	21 527	0.3
AMISOM police	120	120	–
AMISOM formed police unit personnel	420	279	33.6
Posts			
International staff	375	258	31.2
National staff	199	155	22.1
General temporary assistance			
United Nations Volunteers	21	16	23.8
Government-provided personnel	6	–	100

[a] Represents the highest authorized strength of military and police personnel and the approved posts for civilian personnel.

11. With regard to the deployment of the United Nations military contingent of 70 personnel, it is indicated in the budget reports that, following the adoption of Security Council resolution 2245 (2015), in which the Council welcomed the intention of Member States to provide uniformed personnel and government-provided personnel to UNSOS in support of the delivery of its mandated tasks, the Secretary-General, in his letter dated 12 April 2016 addressed to the President of the Security Council (S/2016/350), informed the Council of the intention of the Government of the United Kingdom of Great Britain and Northern Ireland to deploy a national contingent of up to 70 military personnel to support UNSOS, in three phases. The Council, through its President's letter dated 15 April 2016 (S/2016/351), took note of the letter of the Secretary-General. On 17 April 2016, eight United Nations military contingent personnel from the United Kingdom were deployed to Somalia as the first phase (see A/71/630, para. 9, and A/71/788,

para. 16). Upon enquiry, the Advisory Committee was informed that the United Nations military contingent had received reimbursement for standard troop costs; contingent-owned equipment: major equipment and self-sustainment; travel on rotation; and other standard logistical support. With respect to the budgetary provisions for the 2015/16, 2016/17 and 2017/18 periods, the Committee was informed that: (a) the actual standard troop reimbursement costs incurred in the 2015/16 period, in the amount of $26,600, had been absorbed from the approved budget for that period; (b) as the report of the Secretary-General on the budget for UNSOS for the 2016/17 period (A/70/773) had been published on 4 March 2016, before this development, no provision for this contingent had been included in the budget proposal, and the reimbursement for standard troop costs ($656,600) for the number of contingent personnel deployed was being absorbed from the approved budget for that period; and (c) for the 2017/18 period, the total resource requirements of $713,000 was included in the budget proposal (for 43 military personnel, based on the planned deployment of the contingent).

12. With respect to the current and projected expenditures for the period from 1 July 2016 to 30 June 2017, the Advisory Committee was informed that as at 31 January 2017, expenditures for the period amounted to $454,907,000, or 79 per cent of the appropriation. At the end of the current financial period, the estimated total expenditures would amount to $573,821,000, against the appropriation of $574,305,000, leaving a projected underexpenditure of $484,000, or 0.1 per cent.

IV. Proposed budget for the period from 1 July 2017 to 30 June 2018

A. Mandate and planned results

13. The most recent extension of the mandate of the Support Office was authorized by the Security Council in its resolution 2297 (2016), in which the Council decided to authorize the member States of the African Union to maintain the deployment of AMISOM until 31 May 2017. The Council, in its resolution 2245 (2015), had emphasized the role and impact of a responsive, effective, efficient and responsible field support platform as a strategic enabler in Somalia (see also para. 3 above). The Secretary-General indicates that support will be provided to the authorized strength of 22,126 AMISOM uniformed personnel, 70 AMISOM civilian staff and 70 United Nations military contingent personnel, as well as to 10,900 personnel of the Somali National Army in joint operations with AMISOM through the trust fund in support of AMISOM and the Somali National Army (see A/71/788, para. 31).

14. Information with respect to the planning assumptions of UNSOS and mission support initiatives is provided in paragraphs 6 to 21 of the proposed budget for 2017/18 (A/71/788). It is indicated therein that mandate implementation was achieved by utilizing a mix of service modalities, which included a light footprint of staff, commercial third-party vendors and AMISOM troops to provide services in-theatre. It is also indicated that, while UNSOS will continue to provide support to AMISOM through sector headquarters, battalion headquarters and major locations, AMISOM will continue to be responsible for carrying delivered goods forward from those points using its own capacity (ibid., paras. 7 and 9).

15. It is further indicated in the budget proposal for 2017/18 that the support to be provided will comprise all services, including personnel, finance, procurement, contract management, budget and training; the construction and maintenance of office and accommodation facilities; health care; the maintenance of a

communications and information technology infrastructure; air, sea and ground transport operations; and explosive hazard management, including mitigating strategies. For 2017/18, the services will be enhanced through the expansion of mission enabling units to all sectors within AMISOM, comprising heavy transport, combat engineering and explosive hazard management capabilities and security elements, and through increased deliveries along the main supply routes to the sector hubs and battalion headquarters (ibid., para. 32).

B. Regional mission cooperation and partnerships

16. Information with respect to regional mission cooperation, partnerships and country team coordination is provided in paragraphs 22 to 29 of the proposed budget. It is indicated that UNSOS will continue to focus on increasing the level of its consultations with the African Union Commission, the Intergovernmental Authority on Development and the United Nations Office to the African Union. The United Nations Mission in South Sudan (UNMISS) will benefit from the presence of the UNSOS Mombasa logistics base. UNSOS will continue to support the treasury functions of the United Nations Office at Nairobi as part of an integrated cashier's operation established following the deployment of Umoja. It will also continue to use the Regional Procurement Office in Entebbe, Uganda, through joint regional acquisition planning, development of the regional procurement strategy, regional vendor management and the consolidation of requirements for regional systems contracts (one P-5 post of UNSOS is located in the Regional Procurement Office). The Regional Service Centre in Entebbe will continue to provide its client missions, including UNSOS, with regional support in the areas of the onboarding and separation of staff, benefits and payroll for national staff, vendor payments, entitlements and official travel, the processing of claims, cashier services, training and conference services, transport and movement control and information technology services. On a related matter, the Advisory Committee notes that, in a comparison of human resources staff with the total number of staff proposed for 2017/18, UNSOS has a higher ratio (3.9) than the United Nations Organizations Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) (1.0), UNMISS (1.1), the African Union-United Nations Hybrid Operation in Darfur (UNAMID) (1.6) and the United Nations Interim Security Force for Abyei (UNISFA) (2.1), in particular taking into account the human resources support provided by the Regional Service Centre. The comments and observations of the Committee on the ratios of human resources staff to the total number of civilian staff are contained in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

C. Resource requirements

17. The proposed budget for UNSOS for the period from 1 July 2017 to 30 June 2018 amounts to $619,312,100, representing an increase of $45,007,200, or 7.8 per cent, in gross terms compared with the appropriation of $574,304,900 for 2016/17. An analysis of variances for 2017/18 is provided in section III of the proposed budget (A/71/788). A summary of the related planning assumptions is provided in paragraphs 7 to 19 of the budget report.

18. The Advisory Committee notes that the proposed increase in resource requirements for 2017/18 is reflected under all three categories, as follows: (a) military and police personnel ($29.6 million, or 19.6 per cent); (b) civilian personnel ($8.7 million, or 14.8 per cent); and (c) operational costs ($6.8 million, or 1.9 per cent).

1. Military and police personnel

Category	*Authorized 2016/17*[a]	*Proposed 2017/18*	*Variance*
United Nations military contingent personnel	70	70	–
AMISOM military contingent personnel	21 586	21 586	–
AMISOM police officers	120	120	–
AMISOM formed police unit personnel	420	420	–
Total	**22 196**	**22 196**	–

[a] Represents the highest authorized strength for the period.

19. The estimated requirements for military and police personnel for the period from 1 July 2017 to 30 June 2018 amount to $180,693,300, representing an increase of $29,551,900, or 19.6 per cent, compared with the apportionment for 2016/17. The delayed deployment factors applied to the estimates are 2 per cent for United Nations military contingents, AMISOM military contingents and AMISOM police, and 25 per cent for AMISOM formed police units. The Advisory Committee notes that the actual vacancy rate was 33.6 per cent for formed police units as at 31 January 2017. **The Advisory Committee expects that updated information on the vacancy rate for AMISOM formed police units will be provided to the General Assembly at the time of its consideration of the proposed budget for UNSOS for 2017/18.**

20. The proposed increase of $29,551,900 for 2017/18 is attributable mainly to higher requirements under military contingents ($30 million), offset in part by reduced requirements under AMISOM formed police units ($0.6 million). The higher requirements under military contingents are attributable to the following: (a) contingent-owned equipment: self-sustainment ($18.7 million) (see paras. 21-24 below); (b) rations ($7.4 million) (see paras. 26 and 27 below); and (c) travel on emplacement, rotation and repatriation ($2 million) (see A/71/788, para. 93).

Further increase requested for reimbursement for self-sustainment

21. The Secretary-General indicates that the proposed increase of $18.7 million for self-sustainment for 2017/18 is due mainly to the change in the mandate endorsed by the Security Council in its resolution 2245 (2015), in which the Council requested UNSOS to reimburse troop- and police-contributing countries in five categories of self-sustainment (catering equipment and training, to ensure the safe preparation of rations; VHF/UHF, HF, telephone and TETRA communications; sanitary and cleaning materials; furniture and stationery; and tactical tentage). In the same resolution, the Council decided that, where a troop-contributing country was unable to provide the necessary sustainment required by the United Nations and the African Union in the categories above, limited support in lieu of reimbursement would be provided to ensure basic and minimum standards. The Advisory Committee recalls that, following the adoption of the resolution, an estimated cost of $15 million was already budgeted for self-sustainment reimbursements for 2016/17. The Committee was informed at the time of its consideration of the budget proposal for 2016/17 that, of the amount of $15 million, $7 million was the net financial impact of reimbursing self-sustainment and $8 million was under UNSOS purchase and delivery, as UNSOS had not been able to fully provide the delivery of services to all locations where AMISOM operated in the previous years (see A/70/742/Add.14, paras. 23 and 24).

22. Upon enquiry as to the rationale for the additional resource requirement of $18.7 million for 2017/18, the Advisory Committee was also informed that the troop- and police-contributing countries should be self-sustained and took full responsibility for the items in the five categories in order to receive the reimbursements from UNSOS. Since the troop- and police-contributing countries and the African Union had informed UNSOS that they were not going to be self-sustained before January 2017, the budget for 2016/17 incorporated a delayed factor of 70 per cent for reimbursement for self-sustainment. **The Advisory Committee points out that the information on the application of a delayed factor of 70 per cent in relation to the cost estimate for reimbursements for self-sustainment for 2016/17 ($15 million) was not conveyed to the Committee at the time of its consideration of the proposed budget for 2016/17.**

23. With respect to the current state of compliance by the troop- and police-contributing countries, the Committee was informed upon enquiry that one of the countries had begun to comply with the requirements of the self-sustainment framework on 1 January 2017, to be followed by two others, with estimated start dates of 1 April and 1 May 2017, respectively. However, the rest of the troop- and police-contributing countries had not yet confirmed a definite date for compliance with the self-sustainment framework. **It is not clear to the Advisory Committee how the proposed increase of $18.7 million for self-sustainment for 2017/18 was calculated and to what degree it is linked to the current and projected rates of compliance rates by AMISOM troop- and police-contributing countries. Furthermore, no information was provided with respect to the total resource requirements if full compliance were achieved by all troop- and police-contributing countries.**

24. **On the basis of the information available, the Advisory Committee recommends a 50 per cent reduction ($9.35 million) to the proposed increase of $18.7 million for 2017/18. The Committee is of the view that the information on the resource requirements for reimbursements for self-sustainment to the AMISOM troop- and police-contributing countries lacks clarity and justification, taking into account current and future compliance rates achieved and projected. The Committee expects that the Secretary-General will provide comprehensive information to the General Assembly at the time of its consideration of the proposed budget for UNSOS for 2017/18, as well as in future budget proposals for the Office.**

25. In addition, the Advisory Committee enquired whether a monitoring mechanism was in place within UNSOS and was informed that the Contingent-Owned Equipment Unit was responsible for inspecting and verifying on a quarterly basis to determine compliance with the self-sustainment standards. The Committee was also informed that troop- and police-contributing countries were reimbursed only for the categories that met the requirements set out in the Contingent-Owned Equipment Manual. **The Advisory Committee trusts that due diligence is exercised by UNSOS so that the reimbursements will be in line with United Nations standards, rates and practices and subject to periodic reviews to ensure full provision, as requested by the Security Council (see Council resolution 2245 (2015), para. 2 (c)).**

Further increase proposed under the amended rations contract

26. As regards the proposed increase of $7.4 million for rations for 2017/18, according to the Secretary-General, it is due mainly to the amendment of the rations contract which took place during the 2015/16 period (see A/71/788, para. 93 (b)). The Advisory Committee notes that the overexpenditure of $27.2 million for 2015/16 and the proposed increase of $17.4 million for 2016/17 were both

attributable to that amendment. During its consideration of the budget performance of the mission for 2015/16 and the proposed budgets for 2016/17 and 2017/18, the Committee repeatedly sought clarification for the increases for the three financial periods, but received inconsistent information (see also A/70/742/Add.14, paras. 19-22; A/71/630, para. 46; and A/71/788, para. 93 (b)). A summary of the information that the Committee received upon enquiry and the information contained in the relevant reports of the Secretary-General in this regard is presented as follows:

(a) In respect of the reported overexpenditure of $27.2 million for 2015/16 (see para. 5 (a) above), the Secretary-General indicates that it was attributable to the amendment of the rations contract which expanded the scope of the contract and gave more responsibility to the contractor for delivering rations to battalion headquarters and sector hubs. The Committee was informed upon enquiry that, prior to that amendment, all deliveries of rations had been carried out using aviation and surface assets of UNSOS (then UNSOA) as well as a third-party logistics contract. The amendment transferred primary responsibility for the delivery of rations (by ground, air and sea) to the contractor. However, the transportation costs of the amended contract were higher than UNSOS aviation costs because the risk and liability related to delivery were transferred to the contractor. Consequently, while there were no savings, UNSOS gained assurance as to the timely delivery of quality rations to the troops;

(b) With regard to the increase of $17.4 million proposed for 2016/17, the Committee was informed (at the time of its consideration of the proposed budget for 2016/17) that the contractor had the facility, equipment, appropriate means of transport and trained personnel to maintain the required levels of quality, safety and overall service. The Committee was also informed that, were UNSOS to replicate these services at this scale, it would require several additional rotary-wing aircraft, crews, aviation staff, movement control staff, ground handling costs and material handling equipment. In addition, the Committee was informed that a cost-benefit analysis had been completed by UNSOS prior to the contract amendment and that the focus of the analysis had been on the benefits that would accrue to UNSOS and on creating better service for its client, AMISOM, rather than on the generation of savings. However, savings that could be identified from the amended contract involved a reduction in the requirements for third-party logistics and significant savings in the costs of the use of UNSOS air transport. However, the Secretary-General states in the proposed budget for 2017/18 that, for the 2016/17 period, which was the first year of the implementation of the contract after the amendment, the estimates for the resource requirements were calculated on the basis of the assumption that United Nations assets would be used for transportation and warehousing for the first year of the contract. **The Advisory Committee is concerned that the information concerning the use of the United Nations assets for transportation and warehousing for the first year of the contract, which started during the 2015/16 period, was not conveyed to the Committee at the time of its consideration of the proposed budget for 2016/17 and was not presented as a cost factor in the proposed budget for 2016/17;**

(c) In respect of the increase of $7.4 million requested for 2017/18, the Secretary-General states that the delivery of rations will be performed both by the contractor and by the United Nations during the period. Upon enquiry, the Committee was informed that it had been decided in October 2016, as a cost saving measure, to revert to using a combination of UNSOS aircraft for air deliveries and the contractor's assets for sea and road deliveries. The Committee notes from the information provided to it that, of the projected overexpenditure of $3.4 million under air operations for 2016/17, one of the two main contributing factors is the

increased requirements for fuel due to the increased number of flight hours required for the delivery of rations;

(d) As for the reasons for the reassumption by UNSOS of responsibility for the air delivery of rations, the information that the Committee received upon enquiry was not consistent. When the Committee enquired as to the reasons for which UNSOS had reassumed that responsibility, it was informed that AMISOM had been unable to provide security escorts for road supply convoys (citing bad road conditions and the potential for roadside improvised explosive devices, ambushes and manpower limitations), which had frequently led to delays and greater reliance on air deliveries of rations supplies by the contractor, consequently leading to cost increases. However, when the Committee enquired about cases in which AMISOM had refused to provide road escorts, it was informed that, in line with Security Council resolutions and the AMISOM concept of operations calling for greater use of major supply routes in the areas of responsibility for troop-contributing countries, UNSOS had been extensively engaging with the AMISOM field headquarters, which had led to incremental progress in the use of roads by some troop-contributing countries. UNSOS had achieved modest success through the use of mission enabling units, whereby certain AMISOM troops had made notable efforts to provide road convoy escorts (see also para. 68 below on mine action services). Nonetheless, UNSOS had continued to face challenges, as some AMISOM troops refused to provide escorts for deliveries of supplies. **From the information it has received, it is not clear to the Advisory Committee to what extent the cases of refusal contributed to the reassumption by UNSOS of responsibility for the air delivery of rations;**

(e) Concerning cost estimates for the delivery of rations, the Committee was informed upon enquiry that the contract stipulated the cost of delivery by the contractor to each location by distance from Mogadishu. UNSOS paid only for deliveries to areas where it had tasked the contractor with delivery, and the contractor invoiced UNSOS only for the actual cost of the food delivered to Mogadishu, without the transport element. The Committee was informed that that gave UNSOS the flexibility to choose to make the deliveries to a location when it was more cost-effective, with a minimal risk of potential liability.

27. The Advisory Committee requested, but did not receive, a copy of the relevant section of the amended rations contract. **The Advisory Committee notes the continuous increases totalling $52 million ($27.2 million for 2015/16, $17.4 million for 2016/17 and $7.4 million for 2017/18) relating to the amended rations contract. The Committee considers that the information provided by the Secretariat is inconsistent and lacks justification, in particular concerning the respective roles and responsibilities of the contractor and UNSOS, and the related costs involved, as stipulated in the amended rations contract. The Committee therefore intends to request the Board of Auditors, in its next audit of the accounts of the United Nations peacekeeping operations, for the financial period ended 30 June 2017, to focus the audit on the procurement of contracts by UNSOS covering all the areas for the financial periods 2015/16 and 2016/17 (see also para. 62 below on the contract for medical services), including the Office's use of the consultants, individual contractors and personnel contracted through third parties (see paras. 39-42 below).**

28. In addition, the Advisory Committee was informed that UNSOS had also implemented a cost-saving measure by reducing the frequency of resupply in some locations from two weeks to four after increasing the storage capacity of some battalions. **The Advisory Committee expects that UNSOS will quantify the cost-saving measure with respect to the frequency of resupply in the proposed budget for 2018/19.**

29. **Subject to the recommendations in paragraph 24 above, the Advisory Committee recommends the approval of the requested resources for military and police personnel for 2017/18.**

2. Civilian personnel

Category	*Approved 2016/17*	*Proposed 2017/18*	*Variance*
International staff	375	375	–
National staff[a]	199	199	–
United Nations Volunteers	21	21	–
Government-provided personnel	6	6	–
Total	**601**	**601**	–

[a] Includes National Professional Officers and national General Service staff.

30. The estimated requirements for civilian personnel for the period from 1 July 2017 to 30 June 2018 amount to $67,191,400, representing an increase of $8,656,700 million, or 14.8 per cent, compared with the apportionment for 2016/17. The cost estimates for civilian staff reflect vacancy factors of 25 per cent for international staff, 26 per cent for National Professional Officers, 16 per cent for national General Service staff, 10 per cent for United Nations Volunteers and 15 per cent for government-provided personnel (see A/71/788, para. 84 and related table). The Committee notes from the information provided to it that the actual vacancy rates were 31.2 per cent for international staff, 33.3 per cent for National Professional Officers and 23.8 per cent for United Nations Volunteers as at 31 January 2017. **The Advisory Committee reiterates its view that budgeted vacancy rates should be based, as much as possible, on actual vacancy rates. In cases where the proposed budgeted rates differ from the actual rates at the time of the budget preparation, clear justification should be provided in related budget documents for the rates applied (see A/70/742, para. 45). The Committee therefore recommends that the vacancy rates of 31 per cent for international staff, 33 per cent for National Professional Officers and 24 per cent for United Nations Volunteers be applied to the estimates for 2017/18. Any related operational costs should also be adjusted as appropriate. In addition, the Committee expects that information relating to the potential impact on vacancy rates in connection with the 42 posts and positions recommended for abolishment by the Committee will be provided to the General Assembly at the time of its consideration of the budget proposal for 2017/18 (see para. 35 below).**

Restructuring, redeployments and reassignments

31. The Secretary-General indicates that the proposed changes in the staffing component for the 2017/18 period include mainly redeployments and reassignments in respect of 154 posts (112 for redeployment and 42 for reassignment), as set out in tables 2 to 5 of the proposed budget (see A/71/788, paras. 35 and 36). The Secretary-General recalls that a comprehensive assessment of the staffing component of UNSOS was undertaken during the 2015/16 period and that the budget for 2016/17 reflected a comprehensive reorganization of the UNSOS organizational structure to align its functions, positions and personnel in compliance with the global field support strategy and to launch the supply chain/service delivery model in order to fulfil its mandate more effectively and efficiently. The pilot phase of the supply chain/service delivery model was launched in January

2016, with full implementation commencing in July 2016. The General Assembly approved the establishment of 112 civilian posts and positions (including 99 international staff) and six government-provided personnel for the 2016/17 period (ibid., para. 34).

32. The Advisory Committee therefore sought the rationale for the proposed 154 redeployments and reassignments and the continuing restructuring of the Support Office for 2017/18. The Committee was informed that the proposed realignment of functions, establishment of new reporting lines and establishment of new work processes could not have been foreseen in the 2015 civilian staffing review. The Committee was also informed that the proposed changes were as follows:

(a) The establishment of the immediate Office of the Head of UNSOS, comprising the reassignment (1 P-5 and 1 P-4) and redeployment (1 P-5, 1 Field Service, 1 National Professional Officer and 1 national General Service) of posts from the immediate Office of the Director of Mission Support and other pillars. The post of Administrative Assistant (Field Service) would be redeployed from the Conduct and Discipline Team[1] within the Office of the Head of UNSOS;

(b) The continued transfer and movement of 109 posts and positions between sectors in Somalia and Mombasa and Nairobi in Kenya based on the changing needs of AMISOM and UNSOM. Of the 109 posts and positions, 15 were proposed for reassignment and 25 were proposed for redeployment (the remaining 69 posts and positions were proposed for relocation);

(c) Reassignments and redeployments within pillars (106) and between pillars (48) in order to address the workload challenges in the different pillars, including the redeployments proposed in order to change the reporting line of the Human Resources Management Section from the Deputy Director to the Director of Mission Support (20 redeployments), and the redeployments and reassignments proposed for the merger of the Supply Chain Goods Section and the Supply Chain Services Section into one section named the Sourcing Section (5 reassignments and 25 redeployments);

(d) The change in the nomenclature of sections of the Supply Chain Management pillar, which did not involve any redeployments or reassignments.

33. The Advisory Committee notes from the information contained in paragraph 32 above that, taking into account the proposed relocation of 69 posts and positions, the total staff changes proposed by UNSOS for 2017/18 would involve 223 posts and positions, representing 37 per cent of the total civilian staff component of 595 (excluding the 6 government-provided personnel). Upon enquiry, the Committee was informed that, of the 154 posts and positions proposed for redeployment and reassignment, 29 (26 per cent) were among the 112 new posts approved for 2016/17 and 41 were vacant. The Committee also requested, but did not receive, information on how those reassignments and redeployments corresponded to the staffing review conducted in 2015, or on what efficiencies the proposals would bring to the revised work processes, in particular with regard to the supply chain and service delivery model as suggested in paragraph 36 of the proposed budget, in which it is stated that the proposed staffing changes will enable UNSOS to reduce its dependency on contractor-type arrangements and maximize the efficiency of the staffing component. On the contrary, the Committee notes the significant increase in the

[1] In the proposed budget for 2016/17, it was proposed that a Conduct and Discipline Team be established, with two posts of Conduct and Discipline Officer (1 P-4 and 1 National Professional Officer) and one post of Administrative Assistant (Field Service), while two posts (1 P-4 and 1 Field Service) were approved by the General Assembly. The proposed redeployment of the Field Service post would leave only one P-4 post in the Team for 2017/18.

number of consultants to be engaged by UNSOS for 2017/18 (see para. 41 and related table below) and the increased requirements of $2.9 million for 2017/18 for the outsourcing of warehousing services for Mombasa, Mogadishu and sector hubs (Beledweyne, Baledogle, Baidoa and Kismaayo) under other supplies, services and equipment (ibid., para. 104). **The Advisory Committee reiterates that the Secretary-General should have provided better clarity with respect to the overall resource increases proposed for 2016/17 for civilian personnel, consultants and individual contractors, in particular concerning their respective functions and locations (see A/70/742/Add.14, para. 57). The Committee is also of the view that UNSOS should have addressed its long-standing dependency on consultants and individual contractors in conjunction with its significantly strengthened staffing component.**

34. Upon enquiry as to the proposed 154 redeployments and reassignments, the Advisory Committee was informed that, for a number of proposed redeployments, UNSOS actually proposed changes in the functional titles of the posts and positions to realign them with the titles approved by the Office of Human Resources Management and to reflect the correct titles according to the classification exercise that had recently been completed. For the posts and positions that required changes in functions, reassignments were proposed. With regard to reassignment, the Committee notes that the definition given in annex I to the proposed budget states, inter alia, that post reassignment is applied when an approved post that was intended to cover a certain function is proposed to implement other priority mandated activities unrelated to the original function. In the Committee's view, such reassignments should be considered equivalent to the abolishment of a current post and establishment of a new post, and therefore subject to procedures applicable to new posts with respect to, inter alia, the requirement for full justification of their functions, the recruitment and selection process and the application of a vacancy factor of 50 per cent in the first year of their establishment (see A/71/836/Add.5, paras. 29 and 31).

35. **Recognizing the challenging environment in which UNSOS operates and the need of the Office to adjust to operational requirements, the Advisory Committee recommends the approval of the proposed redeployment of 112 posts and positions. However, the Committee is not convinced by the reasons provided for the significant number of posts and positions (42) proposed for reassignment for 2017/18, in particular taking into consideration the comprehensive staffing review undertaken during 2015/16 and the subsequent approval by the General Assembly of 112 new posts and positions requested to address the operational gaps experienced by the Office. The Committee therefore recommends against the proposed reassignment of the 42 posts and positions for which the current functions are no longer required, and also recommends that the 42 posts and positions be abolished.**

Efficiency gains from the implementation of Umoja

36. The Advisory Committee notes that UNSOS has not provided in the budget proposal information concerning efficiency gains achieved through the implementation of Umoja, as some of the peacekeeping missions have reported in that regard. **The Advisory Committee expects that UNSOS will quantify efficiency gains achieved through the implementation of Umoja and provide the related information in the proposed budget for 2018/19.**

37. **Subject to its comments and recommendations in paragraphs 30 and 35 above, the Advisory Committee recommends the approval of the Secretary-General's proposals for civilian personnel for 2017/18.**

3. Operational costs

(United States dollars)

Apportioned 2016/17	*Proposed 2017/18*	*Variance*
364 628 800	371 427 400	6 798 600

38. The estimated operational requirements for the period from 1 July 2017 to 30 June 2018 amount to $371,427,400, representing an increase of $6,798,600, or 1.9 per cent, compared with the apportionment for 2016/17. The proposed increases under operational costs for 2017/18 reflect higher requirements under: (a) facilities and infrastructure ($12.5 million, or 12.6 per cent); (b) air transportation ($10.7 million, or 14.9 per cent); (c) information technology ($3.2 million, or 37.5 per cent); and (d) medical ($4.9 million, or 24.2 per cent). The increased requirements are offset in part by lower requirements under: (a) ground transportation ($19.2 million, or 35.3 per cent); and (b) other supplies, services and equipment ($5.9 million, or 7.7 per cent) (see A/71/788, sect. II.A).

Consultants

39. The Board of Auditors has observed that, within the operational costs group for the 2015/16 period, some expenditure classes such as consultants and official travel exhibited clear trends concerning the redeployment of resources and that UNSOS was one of four large-scale missions that made the most use of redeployment (see also para. 44 below on official travel). Specifically concerning the expenditure class of consultants, the increase arose mostly from UNSOS for 2015/16 ($5.4 million was redeployed to hire an additional 55 consultants; see para. 40 below) (see A/71/5 (Vol. II), chap. II, paras. 69 and 70). For the 2016/17 period, the Advisory Committee notes from the information provided to it that, compared with the approved resources of $2.5 million, the expenditure for consultants amounted to $4.8 million as at 31 January 2017 (an overexpenditure of $2.3 million), while the projected expenditure by the end of the period is $6 million, representing an overexpenditure of $3.6 million, or 144.4 per cent. The Committee makes further comments and observations on this matter in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

40. The Secretary-General reports in his report on the budget performance of the mission that the increased requirements of $4.9 million, or 247.4 per cent, for 2015/16 were attributable mainly to a contract to hire 55 consultants ($5.4 million) to work in areas that were not compliant with minimum operating security standards in lieu of staff (see A/71/630, para. 53). The Advisory Committee requested, but did not receive, clarification as to whether there was any corresponding reduction in resources for staff originally assigned to perform the related tasks during the performance period. Upon enquiry, the Committee was informed by the Department of Safety and Security of the duty stations in Somalia where international staff had been assigned for the 2015/16 and 2016/17 periods and those locations where international staff had visited (see annex I to the present report). The Committee was also informed by the Department that the risks and the associated mitigating measures in the 10locations listed in annex I were subject to regular review and were currently judged to be acceptable for United Nations personnel to be assigned to and to stay in those locations. Similarly, with respect to the locations that had been visited, the assessments at the time indicated that travel could be undertaken. This does not, however, imply that travel to those locations can always proceed. The risks may vary, and each instance of travel is assessed on a case-by-case basis.

41. The proposed resources for consultants are estimated at $2,547,500 for 2017/18, representing an increase of $90,800, or 3.7 per cent, compared with the approved resources of $2,456,700 for 2016/17. The Advisory Committee requested information on the number of consultants and individual contractors planned to be engaged by UNSOS for 2017/18, compared with that for 2016/17, which is provided in the table below. **The Advisory Committee notes the planned increase in the number of consultants and individual contractors for 2017/18, and is of the view that it is neither explained in the proposed budget nor conforms to the "efficiency" to be achieved under the restructuring of the supply chain management and service delivery service reflected in the proposed budget (see para. 33 above).**

Number of consultants and contractors for the 2016/17 and 2017/18 periods

Section unit	*2016/17*	*2017/18*
Office of the Director	3	–
Civilian Casualty Tracking, Analysis and Response Cell	1	–
Human Resources	1	1
Engineering	1	–
Information Support Management	2	–
Medical	2	2
Supply Chain Management	2	11
Integrated Warehousing	–	2
Mombasa logistics base	–	1
Aviation	–	13
Movement Control	–	17
Infrastructure Design and Implementation	1	–
Environmental Management	1	–
Training	2	5
Total	**16**	**52**

42. **The Advisory Committee has commented on the lack of clarity concerning the respective functions and locations of staff, consultants and individual contractors (see para. 33 above). Furthermore, the Committee notes that the requirements for consultants and individual contractors are not limited to resources budgeted under consultants, but are also under other classes within the group of operational costs. The Committee expects that comprehensive information on all categories of non-UNSOS personnel, including consultants, individual contractors and personnel provided through third-party contracts, will be provided to the General Assembly at the time of its consideration of the proposed budget for 2017/18. The Committee is of the view that such comprehensive information should be provided in future budget proposals for UNSOS.**

43. **Taking into account the increased resources under both civilian personnel and consultants for 2016/17 and the efficiencies to be achieved with the ongoing restructuring of the supply chain management and service delivery service, the Advisory Committee recommends a reduction of 20 per cent ($509,500) to the proposed resources of $2,547,500 for consultants for 2017/18.**

Official travel

44. As observed by the Board of Auditors regarding the clear trend of the redeployment of resources into official travel (see para. 8 above), an overexpenditure of $1,245,000, or 51.7 per cent, was reported in the performance period (see A/71/630). The Advisory Committee notes from the information provided to it that, of the amount of $2,649,500 approved for 2016/17 under official travel, the expenditure amounted to $1,823,000 as at 31 January 2017 (69 per cent of the total apportionment in the first seven months of the financial year) and the projected expenditure from 1 February to 30 June 2017 is $826,000, or 31 per cent, leaving a projected balance of zero for the current period. **The Advisory Committee will revert to the issue in its consideration of the budget performance of the Support Office for 2016/17.** The Committee makes further comments and observations on the redeployment of resources in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

45. It is indicated that the increased requirements under official travel for 2015/16 are attributable mainly to longer periods on travel status during trips to the field as: (a) it was not possible to deploy sufficient staff to the sectors because of a lack of security; and (b) the workload of the personnel on rest and recuperation break had to be covered (see A/71/630, para. 54). The Advisory Committee enquired as to whether there had been any reductions in staff costs and was informed that the durations of 60 to 70 per cent of these trips had been fewer than seven days and that, consequently, there had been no reductions in staff costs. According to the Secretariat, in the future, reductions in travel costs might be realized only when additional accommodation compliant with minimum operating residential security standards becomes available. **Noting the progress being made in the construction of sector camps during 2016/17 (see para. 48 (b) below), the Advisory Committee looks forward to receiving information on the further deployment of UNSOS staff to the field.**

46. For the 2017/18 period, the proposed resources for official travel amount to $2,648,000, representing a decrease of $1,500, or 0.1 per cent, compared with the approved resources for 2016/17. With respect to compliance with the advance purchase policy relating to air tickets, the Advisory Committee notes from the information it received upon enquiry that UNSOS had an extremely low compliance rate of 10 per cent for the 2015/16 period, with a somewhat improved rate of 29.3 per cent for the first six months of 2016/17. **The Advisory Committee recalls that, as requested by the General Assembly, travel arrangements should be finalized 16 calendar days in advance of the commencement of official travel (see A/70/742, paras. 151 and 152). The Committee is also of the view that the consolidation of travel requirements should be carried out and alternative means of communication considered by UNSOS. The Committee therefore recommends a reduction of 25 per cent ($662,000) to the proposed resources of $2,648,000 for official travel for 2017/18.**

Construction projects

47. Resources in the amount of $110,991,900 are proposed under facilities and infrastructure for 2017/18, representing an increase of $12,463,800, or 12.6 per cent, compared with the apportionment of 98,528,100 for 2016/17. It is indicated that the increased requirements proposed are attributable mainly to: (a) architectural and demolition services ($12.5 million), due mainly to the increased number of construction projects planned; and (b) maintenance services ($4.8 million), due mainly to the inclusion of additional services and new locations in the maintenance contracts (see A/71/788, para. 97).

48. Upon enquiry, the Advisory Committee was provided with information on the delays experienced by construction projects during the 2014/15 and 2015/16 periods and the progress achieved during the 2016/17 period, as follows:

(a) Setbacks and delays during the 2014/15 and 2015/16 periods: (i) construction projects could not start at the planned time at Kismaayo and Jowhar owing to delays in the provision of land by the local authorities; (ii) security incidents at construction sites prohibited access to construction sites; (iii) security incidents at other locations in use caused the immediate diversion of construction resources intended for remote locations to meet emergent priorities in locations with a newly elevated security threat; (iv) there were delays in the start and implementation of projects caused by underperforming contractors and weak market engagement with United Nations procurement processes; and (v) capacity needed from contributing countries to assist with borehole drilling was not available as planned, and the negotiation of agreements and mobilization of military units took more time than expected;

(b) Progress achieved in the implementation of construction projects during the 2016/17 period: (i) construction work in sector camps in Dhobley, Baidoa and Beledweyne was to be close to completion by June 2017; (ii) land issues at Jowhar and Kismaayo had been resolved and construction projects had commenced, with an estimated completion ratio of 40 per cent at the end of the 2016/17 period; (iii) a letter of assist for a military well-drilling unit was signed in December 2016, and the well was to be fully operational by July 2017; and (iv) progress had been achieved in the procurement of construction services for the new Mombasa logistics base (see paras. 50 and 51 below) and the contract award was expected in the first quarter of the 2017/18 period. Upon request, the Committee was provided with a table showing the approved and actual resources for the construction projects since the 2014/15 period (see annex II to the present report).

49. **The Advisory Committee recalls the delays in the completion of construction work during the previous periods and is not convinced that the planning for the proposed increase of $12.5 million for 2017/18 is realistic, and therefore recommends a reduction of 50 per cent ($6.25 million) to the increased resources proposed for the construction projects for 2017/18.**

Mombasa logistics base

50. Upon request with regard to the planning and vision for the Mombasa logistics base, the Advisory Committee was informed that the current base had been established when UNSOA had been deployed to Kenya in 2009, and was located at a commercially rented warehouse with limited space for expansion. Its current operating cost, including the lease, was approximately $3 million per year. The Office's vision for the new logistics base had been projected on the basis of a number of factors: (a) the need to maintain a buffer stock in Mombasa, thereby requiring increased storage space, following the loss of the stock and assets left behind unsecured during the evacuation in Somalia, resulting in the decision to mitigate the risk of loss by spreading inventory between locations; and (b) a cost-benefit analysis conducted by UNSOS in 2014 in view of the expanded mandate, space limitations at the current site and security concerns. Following the granting of a no-cost lease by the host country, it had been decided to pursue the construction of a new base at Mombasa International Airport. According to the Secretariat, the planning and design of the new base was finalized in early 2016, and the procurement process was initiated and was expected to be finalized in July 2017, with the completion of construction expected in 18 to 24 months (in 2019). The total cost of the new base was estimated at $15 million. Phase I of the project included the construction of the perimeter wall (completed) and the replacement of a building

for the Kenya Airports Authority (ongoing), and phase II included the commencement of major construction during the 2017/18 period. The new base would have a warehouse space of approximately 3,400 square metres, storage space for 1,000 20-foot containers, and work stations for 150 staff in addition to capacity for 50 additional staff and consultants who would not need a workstation (the current base housed some 50 staff and up to 30 contractor personnel). The Committee was informed that, upon the completion of the new base in 2019, the lease of the existing base would be terminated and the current base closed.

51. The Secretary-General indicates that during the 2016/17 period, a large number of posts in the supply chain management pillar are planned for relocation from Nairobi to Mombasa. However, a security risk assessment recommended that the staff ceiling not be increased in Mombasa. A reassessment of the security environment will be conducted after the Kenyan elections in August 2017, with gradual movement to take place thereafter on the basis of the availability and suitability of accommodation facilities (see A/71/788, paras. 35 and 59). Upon enquiry as to the impact of the delay of the planned relocation to Mombasa, the Advisory Committee was informed that a provision had been made in the 2016/17 budget proposal for the establishment of the Supply Chain Management Services pillar in Mombasa. While the movement to Mombasa would have a positive impact on UNSOS operations when the Supply Chain Management Services pillar was based in a single location in Kenya, the inability to have all the staff co-located at this stage was not essential, since most of the functions were not location-dependent, although the communication and coordination mechanisms between the two locations would have to be strengthened. **The Advisory Committee trusts that the strengthening of communication and coordination between Nairobi and Mombasa within the Supply Chain Management Services pillar will not lead to increases in official travel requirements.**

Budgeting of fuel costs

52. The Advisory Committee notes from the information provided to it that a reduction of $17,186,900, or 54.3 per cent, is proposed for petrol, oil and lubricants under ground transportation for 2017/18, attributable to both the reduced cost per litre ($0.63, as compared with a budgeted $1.07 for 2016/17) and the reduced volume (14.7 million litres, compared with 19.6 million litres for 2016/17). The Committee enquired as to how realistic the proposal was and was informed that UNSOS had realigned its fuel consumption distribution ratio between its vehicle consumption (60 per cent to 40 per cent) and its generator consumption (40 per cent to 60 per cent) to reflect a more realistic distribution for the 2017/18 period. According to UNSOS, the increased ratio of 60 per cent for generator consumption did not cause an increase in the resource requirements for petrol, oil and lubricants under facilities and infrastructure, due to the reduced cost per litre of fuel and the reduction in management fees. **The Advisory Committee questions the basis for such realignment of fuel consumption distribution ratios between vehicle and generator consumption, which does not seem to reflect actual fuel consumption volumes.**

Fuel management

53. With respect to fuel management and the deployment status of the electronic fuel management system at UNSOS, the Advisory Committee was informed upon enquiry that the system had not yet been deployed at the Office, although the required equipment had been received in Mombasa and would be forwarded to Mogadishu for implementation. The Office was establishing a working group to engage with stakeholders to prepare for the implementation of the system, and it

was expected that the preparations would permit the deployment of the system in the first quarter of the 2017/18 period. The Committee was also informed upon enquiry that there had been no reported fuel fraud cases resulting in loss to UNSOS during the current period.

54. The Advisory Committee notes from the proposed budget that UNSOS manages the supply and storage of 48.3 million litres of petrol (12.0 million litres for air operations, 50,920 litres for naval transportation, 14.7 million litres for ground transportation and 21.5 million litres for generators and other facilities) and of oil and lubricants across distribution points and storage facilities in nine locations (see A/71/788). **The Advisory Committee therefore expects that UNSOS will intensify its preparations for the deployment of the electronic fuel management system so that the Office will be better positioned for more efficient fuel planning, consumption and inventory control, analysis and reporting. The Committee expects that the Secretary-General will report the efficiency gains to be achieved through the implementation of the system in his budget proposal for 2018/19.**

Air operations

55. The current air fleet of UNSOS consists of five military helicopters, seven commercial helicopters, four fixed-wing aircraft and three standby fixed-wing aircraft. The proposed resources for air operations amount to $83,126,400 for 2017/18, representing an increase of $10,771,200, or 14.9 per cent, compared with the apportionment of $72,355,200 for 2016/17. The proposed increase in requirements is attributable mainly to: (a) the addition of one military helicopter, to be provided through a letter of assist; and (b) the renewal of contracts for three fixed-wing aircraft, largely because of higher contract prices (ibid., para. 99). Two fixed-wing aircraft and two helicopters will be shared between UNSOM and UNSOS, with a ratio of 30 per cent and 70 per cent, respectively (ibid., paras. 14 and 99).

56. With respect to the increase of $4 million for the renewal of fixed-wing aircraft contracts, the Advisory Committee was informed upon enquiry that the increase was due mainly to the new Boeing 737-800 series aircraft with seating capacity for174 passengers that had replaced the Boeing 737-400 series aircraft with seating capacity for 72 passengers. According to UNSOS, the replacement was necessary because of the increased demand for staff movements on the Nairobi-Mogadishu route and to support the AMISOM troop and police rotations. However, the Committee notes from the information it received upon request that actual passenger capacity utilization was significantly lower than the capacity of the Boeing 737 aircraft during 2016, with an average of 47 passengers per flight (with 40 being the lowest and 59 the highest). Furthermore, concerning the categories of passengers on board UNSOS flights, the Committee notes that, of the total of 63,487 passengers who travelled during 2016, 41,243 (65 per cent) were UNSOS/UNSOM personnel, 4,829 (7.6 per cent) were United Nations agency personnel and 17,415 (27 per cent) were non-United Nations personnel (see A/71/809, annex VIII.B). Upon enquiry as to why cost reimbursements had not been recovered from those non-United Nations passengers, the Committee was informed that the non-United Nations personnel were from partners of UNSOS and UNSOM in the implementation of their mandated activities, including government and embassy personnel (sponsored by UNSOM), AMISOM, the Somali National Army, other international organizations and UNSOS contractors. The Committee was also informed that non-United Nations passengers who were not sponsored by UNSOM travelled on a space-available basis and that their presence on board did not entail any additional cost for UNSOS. Upon enquiry, the Committee was informed that the

Office of Legal Affairs had significantly advanced its ongoing review of the question of the carriage of non-United Nations passengers on United Nations aircraft and cost recovery thereof, including on matters related to liability, as the charging of third-party passengers raised some issues from a legal perspective. Following consultations with the insurers, initial agreement had been reached that, to preserve the protection under the United Nations third-party aviation insurance policy, the fee charged to third-party passengers must be in the nature of an administrative charge or a cost-sharing/cost recovery arrangement. The objective was the development of a clear and consistent policy applicable across all missions on: (a) what categories of third-party passengers should be carried on United Nations aircraft and which of those categories should not be charged for such travel; and (b) the methodology for calculating such charges, while at the same time minimizing the Organization's exposure to risk/liability. It was anticipated that the review would be completed in the next two months. On the basis of the advice to be provided by the Office of Legal Affairs and the consideration of the Office of the Controller, guidance for peacekeeping missions would be developed and issued by the Administration. The Committee makes further comments and observations on cost recovery in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

57. **Taking into account that actual passenger capacity utilization was significantly lower than the full capacity of the fixed-wing aircraft and that only 65 per cent of the passengers on UNSOS flights were from the Office and UNSOM during 2016, the Advisory Committee questions the need for UNSOS to change to a new fixed-wing aircraft with higher seating capacity, leading to increased resource requirements. Furthermore, the Committee is of the view that reimbursements from non-United Nations passengers should be recovered by UNSOS, as a few peacekeeping missions[2] have done to varying degrees. In addition, the Committee notes that, while significant underexpenditures were reported under services for 2015/16 (apportionment of $4,298,800 and expenditure of $372,800) and 2016/17 (apportionment of $2,717,000 and expenditure of $2,200 as at 31 January 2017), an amount of $3,236,900 (representing an increase of $519,900, or 19.1 per cent) is proposed for 2017/18. The Committee is therefore of the view that the resource requirements for the fixed-wing aircraft and the services should be maintained at the level for 2016/17 and recommends a reduction of $5 million to the proposed increase of $10,771,200 for air operations for 2017/18.**

Communications

58. The proposed resources for communications amount to $29,783,100 for 2017/18, representing an increase of $621,100, or 2.1 per cent, compared with the apportionment of $29,162,000 for 2016/17. The increased requirements are attributable mainly to commercial communications ($0.8 million) and spare parts ($0.2 million), offset in part by reduced requirements under acquisition of communications equipment ($0.5 million) (see A/71/788, para. 101). The Committee notes from the information provided to it that, for the 2016/17 period, the expenditure amounted to $18.3 million as at 31 January 2017 and the projected expenditure was $24.9 million at the end of the current period (representing an underexpenditure of $4.3 million, or 14.6 per cent). **Taking into account the projected underexpenditure for the current period and the increased requirements for 2017/18, the Advisory Committee recommends that a**

[2] MONUSCO, UNAMID, the United Nations Multidimensional Integrated Stabilization Mission in Mali and UNISFA.

reduction of $2 million be made to the proposed resources for communications for 2017/18.

Information technology

59. A provision of $11,834,200 is requested for information technology for 2017/18, representing an increase of $3,229,400, or 37.5 per cent, compared with the apportionment of 8,604,800 for 2016/17. The proposed increase is attributable to: (a) the acquisition of equipment ($2.4 million), due mainly to the one-time acquisition of orbit satellite equipment for low-latency high-bandwidth solutions and due to the replacement of handheld radios, which have reached the end of their useful lives; and (b) the acquisition of software packages and licences, fees and rental of software ($0.5 million), attributable primarily to the increased number of computers and licences needed for the increased number of personnel (reflecting the delayed impact of the 112 new posts approved for 2016/17) (ibid., para. 102).

60. With respect to the acquisition of software packages and licences, fees and the rental of software, the Advisory Committee notes from the information provided to it that, in addition to the overexpenditure of $4.5 million, or 3,000 per cent, for the 2015/16 period, an increase of $486,000, or 934.6 per cent, is requested for the 2017/18 period. Upon enquiry, the Committee was informed that the increased requirements in the 2015/16 period had been due mainly to the inclusion of licences and software in the acquisition of new equipment (such as that relating to physical security, call manager licences, contact centre functionality and mobile dispatch), which had been budgeted under acquisition of equipment. As for the increase proposed for the 2017/18 period, the requirements were attributable primarily to the increased number of computers and licences needed as a result of the increased number of personnel (approved for 2016/17) and the budgeting provision for new computer acquisitions under this commitment item. **The Advisory Committee notes the increases relating to the acquisition of software packages and licences, fees and the rental of software for 2015/16 and 2017/18. The Committee intends to review the resource requirements under information technology in the context of its consideration of the budget proposal for 2018/19.**

Medical services

61. A provision of $25,149,900 is proposed for medical services for 2017/18, representing an increase of $4,908,400, or 24.2 per cent, compared with the apportionment of $20,241,500 for 2016/17. The Advisory Committee notes that the expenditure for 2015/16 amounted to $10,989,300, excluding medical evacuation expenditures recorded under other supplies, services and equipment (see A/71/630, para. 61, and para. 63 below) and that for the current period, the expenditure of $8,821,000 as at 31 January 2017 excluded an amount of $0.9 million for medical evacuation that was again recorded under other supplies, services and equipment. The Committee recalls that UNSOS incorrectly recorded medical evacuation expenditures for the 2014/15 period (see A/70/587, para. 53). **Noting that medical evacuation expenditures incurred by UNSOS were incorrectly recorded under other supplies, services and equipment for the 2014/15, 2015/16 and 2016/17 periods, the Advisory Committee is concerned that the incorrect and inconsistent recording of expenditures hinders proper comparison and analysis of expenditure patterns.** The Committee's observations and comments on the incorrect and inconsistent recording of expenditures are also contained in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

62. It is indicated that the increased requirements of $4,908,400 are attributable mainly to a contract for a 16-member aero-medical evacuation team which includes

personnel, equipment, supplies, drugs and consumables (see A/71/788, para. 103). Upon enquiry, the Advisory Committee was informed of the following: (a) the increase in the budget projections for the 2017/18 period was due to an aero-medical evacuation contract undertaken by UNSOS in July 2016 (the United Nations Mine Action Service had managed and paid for the previous contract until June 2016). In addition to the provisions included in the contract with the Mine Action Service, the new contract by UNSOS would provide all the medical equipment, medicines and hospital consumables needed by the aero-medical evacuation team; hence, the contract amount would be higher than that managed by the Service in the previous periods; and (b) for the deployment of the 16-member aero-medical evacuation team, two paramedics from the team would be stationed in each of the six medical evacuation hubs (in Dhobley, Baidoa, Beledweyne, Jowhar, Kismaayo and Baledogle) and four personnel would be stationed in Mogadishu (the major evacuation hub and transit point for patients). The team members would be responsible for the evacuation of patients to level III or IV medical facilities outside Somalia. **Taking into account that the new aero-medical evacuation contract undertaken by UNSOS started in July 2016, and considering the actual and projected underexpenditures for the 2016/17 period, the Advisory Committee does not see justification for the proposed increase for medical services for 2017/18.**

63. The Advisory Committee also noted an underexpenditure for medical evacuation for the performance period and requested justification for the increased requirement for the proposed budget, as well as the actual expenditures for medical evacuations for the periods 2013/14, 2014/15, 2015/16 and 2016/17 to date. The Committee was informed that the actual costs of medical evacuations to level III and IV medical facilities outside Somalia were $2.1 million, $3.2 million and $3.8 million for 2013/14, 2014/15 and 2015/16, respectively. For 2016/17, an amount of $0.9 million had been incurred as at 31 December 2016, as AMISOM troops had experienced fewer casualty incidents and fewer medical evacuations out of Somalia. The Committee was also informed that the situation was, however, fluid and might change at any time during the remainder of the period.

64. The Advisory Committee notes from the information provided to it that the increased requirements of $916,700 for supplies under medical services for 2017/18 are due mainly to the increased amounts of drugs and consumables needed for level I and II hospitals, and also due to an increased provision for vaccines for military and police personnel who have been deployed without being vaccinated. Upon enquiry, the Committee was informed that, as the provision of the vaccination of troops was the responsibility of troop-contributing countries, compliance-checking during predeployment was undertaken by African Union teams under the memorandum of understanding signed between the African Union and troop-contributing countries. However, in line with Security Council resolution 2245 (2015) and United Nations rules and regulations regarding medical support and reimbursement for contingent-owned equipment, should the troops deploy into the mission area without the required vaccinations, UNSOS was required to provide the vaccinations for the troop-contributing countries, with reimbursement to be made on a cost recovery basis. UNSOS had therefore included resource requirements of $901,100 for vaccinations in its budget proposal for 2017/18. **Since the provision of vaccination for AMISOM troops is the responsibility of troop-contributing countries and any remedy provided by UNSOS is to be reimbursed on a cost recovery basis, the Advisory Committee is of the view that the provision of $901,100 should not be included in the supplies for medical services for UNSOS.**

65. On the basis of the information provided to it (see also paras. 61 and 63 above), the Advisory Committee notes the underexpenditures under medical services for both the 2015/16 and 2016/17 periods, as follows: (a) for 2015/16, the total expenditure amounted to $14.8 million (including the $3.8 million recorded under other supplies, services and equipment), compared with the apportionment of $19.5 million; and (b) for 2016/17, the projected expenditure was $13,824,000 by the end of the period, against the apportionment of $20.2 million (excluding medical evacuation costs recorded under other supplies, services and equipment). **Taking into account its comments and observations in paragraphs 62 to 64 above, the Advisory Committee recommends that the provision for medical services for 2017/18 be maintained at the same level of $20,241,500 for 2016/17 (representing a reduction of $4,908,400).**

Environmental initiatives

66. Upon enquiry, the Advisory Committee was informed that the proposed budget for the 2017/18 period included $1.5 million for the implementation of the first phase of a solar energy project, including: (a) the design of a solar photovoltaic-diesel hybrid system for power generation (solar farms connected to the UNSOS generator grid); and (b) the procurement of solar panels using the global systems contract. It was expected that the installation of the panels would take place only during the 2018/19 period. The Committee was also informed that it was anticipated that the implementation of the United Nations environmental strategy would yield significant benefits, including reduced emissions and fuel savings, and that such benefits would be examined and estimated, in monetary terms to the extent possible, as part of the design phase of the project. **The Advisory Committee notes the potential benefits to be achieved from the implementation of the solar energy project and expects that such benefits will be quantified and reported in the proposed budget for 2018/19. Taking into consideration that the solar panels will be installed only during the 2018/19 period, and the rapidly changing technological developments and improvements in their manufacturing, as well as decreasing market prices, the Committee recommends that the procurement of the solar panels be postponed from 2017/18 to 2018/19 and recommends a subsequent reduction of $1,320,000 for the procurement of solar panels to the proposed resources of $1.5 million for the solar energy project for 2017/18.**

67. In addition, in reviewing environmental management issues at UNSOS, the Board of Auditors observed several deficiencies and noted that UNSOS needed to take a proactive role by ensuring that environmental issues were given greater priority (see para. 8 (d) above). **The Advisory Committee trusts that UNSOS will implement General Assembly resolutions 69/307 and 70/286 to reduce its overall environmental footprint.**

Mine action services

68. A provision of $40.4 million is requested for 2017/18 so that UNSOS will, through the Mine Action Service office located within the Support Office, continue to support AMISOM with improvised explosive device threat mitigation options through mission enabling units, sector mobility operations, explosive detection dogs and explosive hazard clearance capacity (see A/71/788, para. 91). Upon enquiry, the Advisory Committee was informed that in Somalia, improvised explosive devices presented a continuing and evolving threat, and therefore the measure of achievement was related not to road clearance, but to the provision of support for troop-contributing countries to gain the necessary capacity and readiness to fulfil their mandate. In relation to the clearance of improvised explosive devices from roads, UNSOS provided such support to AMISOM to enhance the latter's mobility

capability on key supply routes. The Committee was also informed that, in a comparison of the 2015/16 period with the 2016/17 period (July 2016 to February 2017), the number of improvised explosive devices encountered increased from 96 to 104 and that, owing to improved techniques, AMISOM had identified and dismantled 48 improvised explosive devices during the current period, compared with 23 during 2015/16. **The Advisory Committee expects that UNSOS will provide more detailed information on its support for AMISOM and results achieved in the area of improvised explosive device threat mitigation in future budget proposals.** The Committee's observations and comments on mine action services are also contained in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

69. **Subject to its recommendations in paragraphs 43, 46, 49, 57, 58, 65 and 66 above, the Advisory Committee recommends the approval of the requested resources under operational costs for 2017/18. In addition, adjustments should be made under operational costs to reflect the recommendations of the Committee on vacancy rates for international staff, National Professional Officers and United Nations Volunteers and the abolishment of 42 posts and positions (see paras. 30 and 35 above).**

V. Conclusion

70. The actions to be taken by the General Assembly in connection with the financing of UNSOS for the period from 1 July 2015 to 30 June 2016 are contained in section V of the performance report (A/71/630). **The Advisory Committee recommends that the unencumbered balance of $1,086,900 with respect to the period from 1 July 2015 to 30 June 2016, as well as other income/adjustments in the amount of $19,031,700, be credited to Member States.**

71. The actions to be taken by the General Assembly in connection with the financing of UNSOS for the period from 1 July 2017 to 30 June 2018 are contained in section IV of the proposed budget (A/71/788). **Taking into account its recommendations in paragraphs 24, 30, 35, 43, 46, 49, 57, 58, 65 and 66 above, the Advisory Committee recommends that the General Assembly appropriate an amount of $578,913,400 for the maintenance of UNSOS for the 12-month period from 1 July 2017 to 30 June 2018, should the Security Council decide to extend the mandate of UNSOS.**

Documentation

- Budget performance of the United Nations Support Office for the African Union Mission in Somalia for the period from 1 July 2015 to 30 June 201 (A/71/630)
- Budget for the United Nations Support Office in Somalia for the period from 1 July 2017 to 30 June 2018 (A/71/788)
- Report of the Board of Auditors on United Nations peacekeeping operations for the 12-month period from 1 July 2015 to 30 June 2016 (A/71/5 (Vol. II), chap. II)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the cross-cutting issues related to United Nations peacekeeping operations (A/71/836)

- Report of the Advisory Committee on Administrative and Budgetary Questions on budget performance for the period from 1 July 2014 to 30 June 2015 for the United Nations Support Office for the African Union Mission in Somalia and proposed budget for the period from 1 July 2016 to 30 June 2017 for the United Nations Support Office in Somalia (A/70/742/Add.14)
- General Assembly resolutions 69/306 and 70/285 on the financing of the activities arising from Security Council resolution 1863 (2009)
- Security Council resolutions 1863 (2009), 2093 (2013), 2102 (2013), 2124 (2013), 2232 (2015), 2245 (2015) and 2297 (2016)

Annex I

A. Duty stations in Somalia where international personnel were assigned, 2015/16

1 July to 25 October 2015

In addition to the federal capital, Mogadishu, international personnel of the Organization were assigned as follows:

Federal member state	*Somaliland*	*Puntland*	*Galmudug*	*South-west Somalia*	*Jubbaland*	*HirShabelle*
Location	Hargeisa	Basosso Garowe Galkayo[a]	Galkayoa	Baidoa	Dollow Kismaayo	No international presence

[a] Galkayo is a town on the border between two federal member states, with the north of the town administered by Puntland and the south by Galmudug.

26 October 2015 to 30 June 2016

In addition to the federal capital, Mogadishu, international personnel of the Organization were assigned as follows:

Federal member state	*Somaliland*	*Puntland*	*Galmudug*	*South-west Somalia*	*Jubbaland*	*HirShabelle*
Location	Hargeisa	Basosso Garowe Galkayo[a]	Galkayoa	Baidoa	Dollow Kismaayo	Beledweyne

[a] Galkayo is a town on the border between two federal member states, with the north of the town administered by Puntland and the south by Galmudug.

B. Duty stations in Somalia where international personnel were assigned, 2016/17

1 July 2016 to 5 April 2017

In addition to the federal capital, Mogadishu, international personnel of the Organization were assigned as follows:

Federal member state	*Somaliland*	*Puntland*	*Galmudug*	*South-west Somalia*	*Jubbaland*	*HirShabelle*
Location	Hargeisa	Basosso Garowe Galkayo[a]	Galkayoa	Baidoa	Dollow Kismaayo	Beledweyne

[a] Galkayo is a town on the border between two federal member states, with the north of the town administered by Puntland and the south by Galmudug.

C. Towns in Somalia where international personnel have visited to conduct specific missions with appropriate security mitigating measures

Federal member state	*Somaliland*	*Puntland*	*Galmudug*	*South-west Somalia*	*Jubbaland*	*HirShabelle*
Location	Allaybaday	Awr Culus	Abudwak	Beladamin	Afmadow	Afgoye
	Aynabo	Bacaadweyn	Cadaado	Berdale	Awdele	Arbiska
	Badhan	Ballibusle	Ceel Bur	Buurhakaba	Baardheere	Balcad
	Baki	Benderbeyla	Ceel Jale	Ceel Berde	Burdhubo	Baledogle
	Baligubadle	Birta Dheer	Dhusamareb	Daynuunay	Bur Gabo	Baraawe
	Berbera	Burtinle	Guriel	Dinsoor	Ceel Waq	Buloburto
	Boramo	Conoco	Hiilweyne	Janaale	Dhobley	Bulomareer
	Bulahaar	Dongorayo	Hobyo	Kurtunwarey	Faafadhun	Cadale
	Burao	Eyl		Leego	Garbaharey	Jalalaqsi
	Caddaadlay	Faleyryaale		Mashalay	Luuq	Jameco
	Daarasalaam	Galdogob		Qansaxdhere	Raskamboni	Jowhar
	Dacar Budhuq	Garacad		Qoryoley		Mahadday
	Darar-weyne	Gardo		Shalambooti		Mahas
	Dilla	Harfoo		Tayeeglow		Qorilow
	Duruqsi	Hasbahalle		Waajid		Raga Ceel
	El Afweyn	Hobyo		Wanlaweyn		Warsiik
	Erigabo	Iskushuban		Xudur		
	Faraweyne	Jariiban				
	Fiqifulliye	Kalabeyr				
	Gabiley	Margaaga				
	Garadag	Qandala				
	Hudun	Qardho				
	Las Anod	Qarhis				
	Lughaya	Salahley				
	Ma Dheera	Sinujif				
	Maydh	Towfiiq				
	Odwayne	Tukaraq				
	Qoryaale	Uusgure				

Federal member state	*Somaliland*	*Puntland*	*Galmudug*	*South-west Somalia*	*Jubbaland*	*HirShabelle*
	Sabawanaag	Xamxamaa				
	Salahley	Xarfo				
	Sh.Xasan Gelle					
	Sheekh					
	Xaggal					
	Xiis					
	Yagori					
	Zeila					

Annex II

Construction projects undertaken by the United Nations Support Office in Somalia

(Millions of United States dollars)

Project	Location	Status (percentage)	Planned completion	Reasons for delay	2014/15		2015/16		2016/17		2017/18	Remarks
					Approved	Actual	Approved	Actual	Approved	Projected	Proposed	
Projects under $1 million					12.4	8.8	6.6	9.9	10.0		0.8	
Projects over $1 million												
Master plan hard-wall buildings	Mogadishu (MIA)	60	December 2018	Unskilled contractors and changing needs	1.7	5.5	2.0	6.2	7.3	7.4	4.5	Switching from hard-wall to container solution to meet new MOSS deadline
Asphalt roads and hardstands	Mogadishu (MIA)	40	September 2017							1.0	2.0	
Transit camp	Mogadishu (MIA)	100		Revised security priorities			1.6					Various requirements for AMISOM Sector 1 in Mogadishu
Sector hub camp construction	Dhobley (Sector 2)	40	December 2018		4.8	0.7		0.2		2.3	4.5	
Sector hub camp	Baidoa (Sector 3)	75	December 2017		4.8	0.8	1.7	0.9		0.8	1.0	
Sector hub camp	Beledweyne (Sector 4)	70	December 2017		3.0	1.1	1.7	1.5		1.0	1.5	
Sector hub camp	Jowhar (Sector 5)	25	June 2018	Land not available in previous years		0.0	1.7	0.0		3.2	7.0	
Sector hub camp	Kismaayo (Sector 6)	10	June 2018 (90%)	Land not available in previous years		0.2	1.7	0.0		2.3	7.0	
Drilling of 30 water wells	Baidoa (Sector 3) and Beledweyne (Sector 4)	5	June 2018	Letter of assist signed December 2016						1.3	2.0	Shown as project under $1 million for 2014/15 to 2016/17
Project management services	All Locations	70	June 2017			0.9		1.5	2.8	1.6	0.5	
Logistics base	Mombasa	5	June 2019			0.0	1.5	0.4	1.9	1.7	1.5	Procurement ongoing
Approved reductions					-2.9				-2.2			
Total					**23.7**	**18.1**	**18.5**	**20.6**	**19.8**	**22.6**	**32.3**	

Abbreviations: AMISOM, African Union Mission in Somalia; MIA, Mogadishu International Airport; MOSS, minimum operating security standards.